



PEL-FREEZ

CLINICAL SYSTEMS, LLC®

Discovering New Worlds Of Typing Technologies

Wisconsin's Intellectual Capital – A Biotechnology Perspective

September 25, 2003

Pel-Freez Clinical Systems

- Located in Brown Deer
- Design, Produce and Market blood and molecular biology products for organ and bone marrow transplants
- Company Growth
 - Facility Size
 - 1982 – 15,000 square feet
 - 2003 – 35,000 square feet
 - 2005+ - Predict need of 50,000 square feet
 - Employee Growth
 - 1996 – 26 Employees
 - 2003 – Approximately 75 by year-end

Reasons for Successful Growth

- Massive Investments – People, Equipment, Facility
- Rapid and Extensive Product Development
 - 10 – 15% of Sales – R & D Expense over last 7 years
 - 75% of Current Revenue – Products Developed within last 5 years
- Availability of Qualified Personnel (to date)
- Aggressive and Focused Domestic and International Distribution Systems

Benefits of Knowledge Based Industries

- Gentle on Environment
- Highly – Educated Workforce
 - Retention/Attraction of Brain Power
 - Larger Average Company Payroll
 - Community Multiplier Effect
 - Pel-Freez Personnel
 - 25% - Research and Development
 - 13% - Production
 - 76% - College Degree or Higher
- High–Tech is Contagious

Future Challenges/Issues for Pel-Freez/ Knowledge Based Industries in Wisconsin

- Availability of Qualified Personnel
 - Life Sciences
 - BioInformatics
 - Chemical Engineers
 - Computer Scientists
 - Analytical, Problem Solvers
- Existing Organizational Culture of SE Wisconsin
 - Lack of Synergies, Trust, and Coordination between business, government, and academia.
 - Lack of High Technology Parks
 - Emulate University Research Park in Madison – Minimum
 - Milwaukee - #6 in U. S. and Canada for number of college students per 100 residents (Milwaukee Magazine, June 2003)

Future Challenges/Issues for Pel-Freez/ Knowledge Based Industries in Wisconsin

- Relevant and Targeted Economic Incentives
 - Need Company/Cluster Specific Flexibility
- Perception of Area – Incongruent with Knowledge Industries Personnel
 - Difficulty in Attracting Employees/Companies
 - Cheese, Brats, Packers, and Beer
 - Weather, Culture, Lack of Diversity, Parochial Attitude
 - Young Professionals of Milwaukee (ypm.mmac.org)
 - Cause – Brain Gain
 - Over 2,000 members mostly in 20's – 30's
 - 51% of members came from outside of Milwaukee Metro area.
 - 1/3 plan to remain for > 10 years
- Lack of Venture Capital / Risk Funding
 - Support Governor Doyle's Grow Wisconsin Plan – 9/10/2003
 - Creation of large VC Fund
 - Technology Zone Tax Credits
 - Training Funds